

Commissioning Letter

IFF Research
5th Floor, St Magnus House
3 Lower Thames Street
London
EC3R 6HD

Wednesday 09th January 2019

Dear [REDACTED]

**BIS Research and Evaluation Framework Agreement – Lot 3
Attitudes towards National Minimum Wage enforcement
Project Reference – CR18155**

Thank you for your response to the Specification for the above commission by the Department for Business, Energy and Industrial Strategy (BEIS) (the Customer) through the BIS Research and Evaluation Framework dated 2 January 2016 between (1) Secretary of State for Business, Innovation and Skills; and (2) IFF Research (the Framework Agreement).

Annexes: A. Specification for Attitudes towards National Minimum Wage enforcement
B. Tender dated Monday 10th December 2018.

The Department for Business, Energy and Industrial Strategy (BEIS) accepts your Tender (Annex A), submitted in response to our Specification (Annex B).

The Call-Off Terms and Conditions for this Contract are those set out in Schedule 5 to the Framework.

The agreed total charges for this assignment are £19,987.60 exclusive of VAT which should be added at the prevailing rate. The agreed invoice schedule is as follows:

This varies project from project (PM to confirm)

[REDACTED]

All invoices should be sent to should be sent to finance@services.ukpbs.co.uk or Billingham (UKSBS, Queensway House, West Precinct, Billingham, TS23 2NF) A copy of the invoice should be sent to [REDACTED].

You are reminded that any Customer Intellectual Property Rights provided in order to perform the Services will remain the property of the Customer. The following deliverables have been agreed:

The Services Commencement Date is Thursday 10th February 2019.

The Completion date is Friday 29th March 2019.

The Contract may be terminated for convenience by giving 30 days' notice in accordance with clause 36 of the Call-off Terms and Conditions.

The Authorised Representative for this Commission will be [REDACTED] who can be contacted at [REDACTED].

Until the date of publication, findings from all Project outputs shall be treated as confidential. Findings shall not be released to the press or disseminated in any way or at any time prior to publication without approval of the Department.

This clause applies at all times prior to publication of the final report. Where the Contractor wishes to issue a Press Notice or other publicity material containing findings from the Project, notification of plans, including timing and drafts of planned releases shall be submitted by the Contractor to the Project Manager at least one week before the intended date of release and before any agreement is made with press or other external audiences, to allow the Department time to comment on factual accuracy. All Press Notices released by the Department or the Contractor shall state the full title of the research report; and include a hyperlink to the Department's research web pages, and any other web pages as relevant, to access the publication/s.

This clause applies at all times prior to publication of the final report and within one month from the date of publication. Where the Contractor wishes to present findings from the Project in the public domain, for example at conferences, seminars, or in journal articles, the Contractor shall notify the Project Manager before any agreement is made with external audiences, to allow the Department time to consider the request. The Contractor shall only present findings that will already be in the public domain at the time of presentation, unless otherwise agreed with the Department.

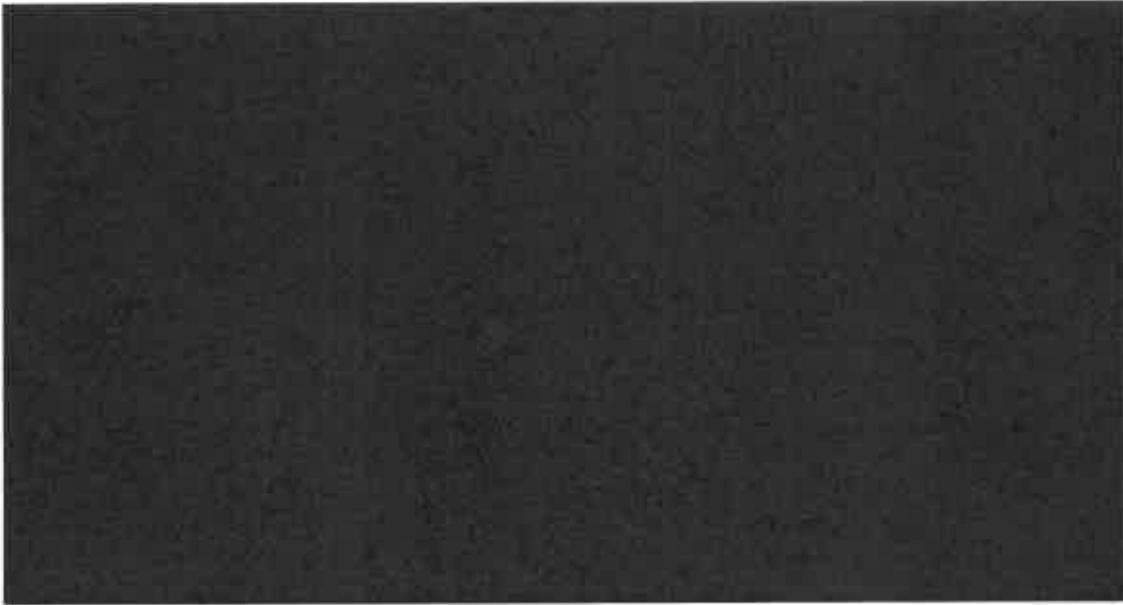
Congratulations on your success in being selected to undertake this Commission.

Yours sincerely

**[REDACTED]
Category Specialist
UK Shared Business Services Ltd**

BY SIGNING AND RETURNING THIS COMMISSIONING LETTER THE SERVICE PROVIDER AGREES to enter a legally binding contract with the Customer to provide to the Customer the Services specified in this Commissioning Letter and Annexes incorporating the rights and obligations in the Call-off Terms and Conditions set out in the Framework Agreement.

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Annex A – Tender Specification

1. Aims and Objectives of the Project

BEIS has reviewed the existing enforcement evidence base, and has identified a number of areas where further research would add value. These areas include the extent to which employers and workers across the wider labour market are aware of enforcement activity; the extent to which enforcement acts as a deterrent for other non-compliant employers; and the extent to which the current enforcement approach prompts meaningful behaviour change.

We are therefore commissioning a piece of qualitative research - specifically a series of four focus groups - to understand employers' and workers' views of the current NMW enforcement approach; the extent to which it is effective at prompting behaviour change; and whether there are any further improvements which can be made.

The research will feed into the wider evidence base of the BEIS NMW team, and will contribute towards a broader enforcement evaluation.

The overarching objectives of the research are therefore...

- To understand the extent to which employers and workers are aware of current NMW enforcement measures
- To understand whether NMW enforcement impacts employers' behaviour and drives behaviour change
- To establish employer views of the penalty system under the current enforcement approach, and the extent to which it is proportionate
- To seek employer views on the effectiveness of the current NMW enforcement model, and whether there are ways in which it can be improved.

More specifically, the research will focus on four main topic areas within NMW enforcement...

1. Awareness

- To what extent are employers who have not been "enforced" aware of NMW enforcement measures?
- To what extent have employers and workers interacted with the NMW communications campaign?
- Which communications messages work best, for both employers and workers?
- Which communications messages work best for employers who deliberately underpay, those unaware, and those who believe they are complying?

2. Impacts on Employer Behaviour

- What do employers believe is the risk of detection?
- How do employers respond to awareness of specific enforcement action?

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- What do employers perceive to be the costs / impacts from being "enforced" (i.e. named, subject to an investigation, or identified as non-compliant)? Do employers think these costs apply in the short, medium, or long term?
- To what extent does being "named" by BEIS prompt long-term compliance with NMW legislation?

3. Naming

- What are employer views of the penalty sanctions and the naming scheme? Are they lenient / justifiable / harsh?
- To what extent do employers view the current naming scheme as "fair"?
- What other sanctions do employers think should apply?

4. Effectiveness

- To what extent do employers believe that the current enforcement regime encourages self-compliance?
- To what extent are employers satisfied that transgressors are dealt with?

2. Suggested Methodology

The table below sets out a summary of our suggested approach, although we welcome alternative ideas from bidders.

Proposals must set out the feasibility of achieving these elements and the mitigation of the risks associated with this.

Population	<ul style="list-style-type: none">• Employers with workers who are eligible for NMW with a particular focus in sectors that HMRC target enforcement in• Workers who are eligible to receive the minimum wage – again, with a particular focus in the sectors that are targeted by HMRC• Employers who have been publicly named as part of the BEIS naming scheme
Respondents	<p>Financial Directors, HR Managers or Managing Directors, (i.e. the people who are most likely to make decisions around pay and come into contact with NMW guidance and pay related issues), alongside workers who are eligible to be paid the minimum wage</p> <p>We intend to conduct four focus groups, three with employers and one with workers.</p>

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Suggested Sample Frame	<ul style="list-style-type: none"> • For the focus groups amongst employers eligible to pay the minimum wage we expect to use commercial sample or samples that bidders already have available. We expect the same sample frame to be used for • For the focus group amongst employers who have been previously named, it is expected that naming lists from past rounds (which will require contact details to be manually appended) will be used. • Bidders are free to suggest an appropriate sample frame for recruiting workers
Suggested Sampling Approach	We expect that participants will be recruited using free find methods, and where necessary "snowball" recruitment. However, bidders are welcome to suggest alternative approaches.
Achieved Sample Size	Four focus groups of around eight participants in each (32 participants in total), although bidders are free to advise on an alternative number of participants.
Mode	Qualitative focus groups
Interview length	Around 90 minutes (although bidders are welcome to suggest alternatives)
Key Outputs	<ul style="list-style-type: none"> • Full report (to be written to publishable standards, with an executive summary) • Presentation (to be delivered by the successful bidder to colleagues in the NMW policy team) • Anonymised transcripts and recordings (where participants give permission)

Focus Groups

We anticipate conducting focus groups; each including around eight participants (meaning 32 participants in total). Focus groups should include a broad range of participants; with employers and workers coming from a range of sectors and different sized organisations. We expect that a "core" topic guide will be written to cover all of these focus groups, but that it will be adapted to fit the specific aims of each group. We are, however, open to alternative proposals from bidders.

As outlined above, we intend for three focus groups to be conducted with employers, and one with workers (although bidders are welcome to suggest alternative groupings that would better meet our research aims):

Focus Groups 1 & 2 – Employers eligible to pay minimum wage

In addition to employers from a range of sectors and sizes, we suggest that some participants for these groups are chosen from sectors where HMRC are known to target their NMW enforcement work; so as to ensure that some participants have seen HMRC's awareness-raising material, and are able to give meaningful insights.

We will use these first two focus groups to gain insight into broader views of NMW enforcement, beyond those who have had direct interaction with the current enforcement regime.

We expect that participants will be found using "free-find" methods, or by using commercial sample. In the screening stage, the successful bidder will be required to ensure that employers employ minimum wage workers. We would welcome discussion from bidders in their proposals on how they intend to do this.

Focus Group 3 – Employers who have been "named"

We intend to use this focus group as a "deep dive" into the NMW naming scheme (specifically looking at the extent to which employers view it as fair and proportionate, and the extent to which it prompts long term compliance with NMW) and will require the successful bidder to recruit participants who have been named by BEIS for non-compliance with the NMW.

Whilst the list of employers who have been named is publicly available (and should form the basis for recruitment for this group), we expect recruitment for this group to be challenging. Being named is not a positive experience, and many employers ask to be exempted from the scheme. We therefore expect many to be unwilling to take part in further follow-up research. Bidders will be expected to demonstrate that they have experience of persuading "hard to reach" groups to take part in research, and that they are able to draw out meaningful insights from these employers in a sensitive manner during focus groups.

Focus Group 4 – Workers in the sectors targeted by HMRC

Similar to the first two focus groups, we expect participants to be found using "free-find" recruitment methods. We expect workers to come from both within sectors where HMRC target their enforcement, and from other parts of the economy. Similarly, we expect the successful bidder to recruit workers from a range of different ethnic and socio-economic backgrounds (for example, by including workers with different contract types).

In order to screen participants, information will be required on the wage participants are currently being paid and the sector they are currently employed in.

As we will be touching on subject areas which touch on potential non-compliance with the law; we expect bidders to demonstrate that their moderators have experience of doing similar work, and that they are capable of delivering focus groups with the correct demographic mix.

We will also require bidders to prove that they have sufficient expertise to mitigate the risk of one participant's view colouring the views of others, and of enabling participants to speak openly. In light of these concerns, we also welcome bidders' opinions on the extent to which participants will need to be "screened" during recruitment.

We expect that all focus groups (including the one with workers) will likely take place outside of office hours. As we are expecting participants to give up their free-time, we anticipate that an incentive will be needed to encourage participation. We would expect employers to be offered either an incentive for themselves or a charitable donation on their behalf, and that workers will be offered cash / vouchers for their time. We expect this to be discussed further in bidders' proposals, and for the cost of this to be included within the £20,000 budget.

In order to meet the proposed budget, we anticipate that all groups will be conducted within London. However, we would welcome bidders' comments on the value of conducting one or two of the focus groups outside of London; to see if there is any regional variation in attitudes. Ultimately, however, we will be guided by what is feasible

within the budget.

Analysis and Reporting Requirements

We intend for this to be a research project that is completed in a relatively short amount of time. We would like to receive a final report by late 2019. To that end, we anticipate that fieldwork to be completed by the end of February 2019 and that a first draft of the report and presentation will be completed in early-mid March 2019. We would like bidders to comment on the feasibility of such a timetable in their proposals.

The successful bidder will be expected to isolate the key themes that are present in each category of focus group and, if possible, to identify different typologies/segmentations of employer and worker. We welcome bidders' thoughts on whether it will be possible to identify different typologies in workers given that we will only be holding one worker focus group.

Quality & Ethical Standards in Research

This study will be subject to the rigorous standards of design, analysis, reporting and documentation set out in the Market Research Society (MRS)¹ and GSR² codes of conduct.

Whilst this is a relatively small-scale piece of work, there is the risk that particularly sensitive content and personal data is disclosed, a key example of this being that employers may disclose that they are actually non-compliant with NMW. We would require the successful bidder to handle all data in accordance with GDPR best practice guidance. Similarly, we would expect any sensitive findings to be anonymised in a final report, and for it not to be possible to identify individuals in the findings.

Bidders are required to demonstrate that they have a good understanding of data protection requirements and that they are aware of new ones that have come into force this year under the GDPR.

Project Management Arrangements

The contractor will name a project leader who will act as the day to day point of contact over the course of the project and will deal directly with the BEIS Project Manager who will expect a weekly update on the project's progress via email. We will require the successful bidder to provide timely project updates in order to ensure that we are aware of any likely delays.

The contractors' research team, including the project leader, will attend meetings at BEIS at key stages of the project. Bidders should allow for the cost of attending up to three meetings³, to be held in BEIS' main office (1 Victoria Street, London), in their proposal.

We would also take advice from bidders about whether it is appropriate for BEIS officials to attend the focus groups (given that respondents' anonymity will not be preserved in this instance).

¹ MRS Code of Conduct

² GSR Professional Guidance - Ethical Assurance for Social Research in Government

³ Meetings will include one "kick off" meeting at the start of the project, one meeting during fieldwork to discuss progress and plans for analysis, and one final "project review" meeting where the key findings presentation will also be delivered

3. Deliverables

The key outputs for this survey are:

- Four completed focus groups with around eight participants in each
- Topic guides for each type of focus group, containing appropriate background information and probes / instructions for focus group moderators.
- A full report on key findings to be written to publishable standards, with an executive summary (detailed below)
- A presentation to be delivered to colleagues in the BEIS NMW policy team, as well as counterparts in HMRC
- Anonymised transcripts and recordings (where participants give permission)
- Weekly progress reports including updates on risks and issues as they arise, and recruitment / fieldwork progress

Final Report

The project will close with a final research report that discusses the findings from the four focus groups. The report should follow a basic framework for analysis that will have been developed with BEIS during the early stages of the project. Bidders should allow for two drafts of the report and one round of comments at the first stage, subject to the quality of the first draft.

Reports will be made publicly available on gov.uk, so will need to be formatted according to a pre-specified style guide. This will be supplied to the successful bidder in due course. The report must be submitted in MS Word (or compatible with MS Word) format. The successful bidder is responsible for quality assuring, proof-reading and formatting all written research outputs.

4. Timescales

The project is expected to start immediately after the contract has been awarded. The Department envisages that the first draft of the key findings report will be written in early-mid March 2019, and that findings will be presented in late March 2019. It is critical that the final report on key findings be finalised by the end of March 2019.

Tenderers are required to set out the feasibility of achieving our proposed approach within this timescale. They are required to set out a detailed timetable for doing so in their proposal. It is important to ensure that tenderers are realistic with their timings, as the successful bidder will be expected to work to them throughout the project.

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Annex B – Tender Response

PROJ4.1 Understanding the Project Environment

Interpretation of the project and what is required

The Department for Business, Energy, and Industrial Strategy (BEIS) is seeking to commission a small-scale qualitative study exploring: employers' and workers' views of the current NMW enforcement approach; its impact on behavior (change); and potential improvements. The project will be based around four focus groups with employers and workers, which will explore:

- awareness of current NMW enforcement measures
- whether or not (fear of) enforcement affects employer behaviour
- employer views on the proportionality of enforcement approaches
- employer views on the effectiveness of the current model and areas for improvement.

The ITT is very clear on the project requirements and we have followed the suggested approach. The focus groups will be held in our purpose-built focus group viewing facility, based at IFF offices near Monument. We will recruit four groups of eight participants each:

- Group 1 and 2 - Employers eligible to pay minimum wage. These will focus on sectors such as catering, care, hospitality, hair/beauty, retail and construction. We suggest that one group could include smaller employers and the other medium to large employers, to ensure some commonality of experience/challenges.
- Group 3 - Employers who have been named as not paying NMW. The list (of over 1,800 employers) is publicly available, and the numbers of workers and the extent of non-payment varies. (This group is likely to be challenging to recruit to, and depth individual qualitative interviews may provide an alternative route to seek the views of this group).
- Group 4 - Workers in sectors targeted by HMRC as likely to be where non-payment of NMW is concentrated (including sectors such as catering, care, hospitality, hair/beauty, retail and construction). We would also use the 2018 DLME's strategy to identify appropriate sectors on which to focus our recruitment efforts.

IFF Research is well-positioned to undertake this project. We have an extensive understanding of relevant data sources, labour market research with employers and workers (including those on less traditional forms of contracts) and undertaking research on sensitive topics. We understand that BEIS are seeking a high-quality report on key findings (with Exec Summary), written to publishable standard and following the gov.uk style guide (with which our team are very familiar); as well as a presentation on the research findings to BEIS/HMRC colleagues. We have extensive experience of producing high-quality written outputs and presenting to a wide variety of audiences, including researchers and policy makers in government. Further details of our experience are provided in Section 1.3.

Understanding of NMW, the current enforcement regime and the challenges faced

The UK National Minimum Wage (NMW) was introduced in 1998 and applies to almost all workers in the UK. The rate per hour depends on age and Apprentice status. The current rate is £7.83 for those aged 25 and over, and £4.20 for those under 18. The apprentice rate is £3.70. All employers are required to pay the NMW (and to pay any arrears that exist). However, some employers do not meet this requirement – either deliberately, or through inadvertent non-compliance with NMW legislation. Enforcement regimes are based on a mix of compliance and deterrence. The Office of the Director of Labour Market Enforcement (DLME) assesses non-compliance and labour market exploitation (including around the National Minimum Wage

(NMW)) and identify ways to tackle exploitation, including through enforcement bodies such as the HMRC NMW team. The DLME 2018 strategy identified the following types of interventions:

Compliance-based interventions	Deterrence-based interventions
<ul style="list-style-type: none"> • provide information, education and support • promote workers' rights • support awareness • access to enforcement 	<ul style="list-style-type: none"> • inspection • financial and reputational penalties • prosecutions/legal approaches • prohibition

The current enforcement regime requires HMRC to identify and take action against employers who do not pay NMW. However, limited budgets and staff numbers mean that it can be difficult to identify and penalize such employers. In general, civil enforcement is sufficient (particularly where non-payment is inadvertent). Criminal cases can be brought for non-payment of NMW as well as failure to keep adequate records (which can be easier to prove). Some employers and representative bodies have also complained that the law around NMW is unclear in some respects, and that additional guidance is needed on lawful deductions. A number of employers who have been named for non-payment have argued that this was unintentional and that the reputational impact was disproportionate.

Ensuring the successful delivery of this project within the working environment

At IFF we pride ourselves on our ability to effectively manage projects to deliver high quality research to time and budget. We work to high standards in project resourcing, communication, timeliness and transparency, and quality control. Our focus is on clear communication to ensure that we meet client needs. We have proposed an experienced team with extensive experience of labour market research who have successfully worked together on multiple projects, and understand the challenges posed by this type of research. We see the main challenges here as:

- Sensitive topic/challenges in identifying research participants: deciding the appropriate types/balance of employer and worker to be interviewed, and then sourcing these.
- Persuading employers and workers to take part, given a) we want to talk about pay, which can be sensitive; b) we are seeking to speak to employers who have been named for non-payments of NMW and may be feeling aggrieved by the process or experience; and c) saying we are contacting them on behalf of BEIS, which may concern them that they are being checked up on. We are very familiar with persuading respondents to take part in research studies on sensitive issues.

In addition, the study timescales are relatively tight: the outputs are required by end March 2019. To provide quality outputs by the required deadlines, we will ensure a high level of senior involvement at all stages in the project.

The research will be carried out in strict accordance with the Market Research Society Code of Conduct and apply the principles of the GSR on research ethics throughout. A key issue is gaining informed consent from respondents. IFF is an ICO-registered data controller. Our ISO27001 accreditation ensures data is handled securely and in line with the Data Protection Act. All staff working on the project are GDPR trained, and the Director will have responsibility for ensuring processes are GDPR compliant. All personal and/or sensitive data is stored on an encrypted server, with access restricted to key members of the project team. A detailed risk register with mitigation measures is included in Section 1.5.

Proj 1.2: Approach/methodology

Our proposed approach is carefully designed to ensure the research is robust and high-quality, meets the project objectives and findings can be disseminated widely to inform debate and policy development.

Methodology

The ITT sets out a clear preferred approach to the research, which we have used as the basis for our proposal. We have considered the project objectives and requirements, and agree that a qualitative, focus-group approach provides the best value for money. We suggest a staged approach, encompassing:

1. Project inception and development of topic guides
2. Focus group recruitment
3. Focus groups and moderation
4. Analysis
5. Reporting and dissemination.

Each stage is discussed in detail below.

1. Project inception and development of topic guides

We will hold a project inception meeting with the BEIS team, to ensure that our approach meets project requirements and that we accommodate any wider policy issues. Based on this meeting and our expertise in research with employers and on employment rights (violations), we will develop topic guides for each of the four focus groups. The design and structure of these guides is critical in ensuring we collect robust evidence to meet the project objectives. We will sign off all topic guides with BEIS before use (and anticipate this being an iterative process, with initial discussions at the inception meeting).

The focus groups will be run and moderated by members of our proposed research team for this project. They will assist in designing the topic guides, and so will have an in-depth understanding of the study aims, methods and objectives. The guides will include all background information needed, as well as probes/further instructions, as an aid to memory during the groups.

We will carefully design the topic guides to ensure we gather the evidence needed to meet the project objectives. Across the groups, we will cover:

- awareness of current NMW enforcement measures
- impacts of NMW enforcement on employers' behaviour/behaviour change
- employer views on current penalty system and proportionality
- employer views on the effectiveness of the current NMW enforcement model and potential improvements.

As suggested in the ITT, we anticipate that some 'core elements' will be included in all four topic guides, but that each will also have individually tailored sections. Our approach is to structure each guide into thematic sections, allocating an advised duration for each. This helps to ensure that all topics are covered, and avoids the risk of the initial topics being covered in detail and the later ones not being touched on. For focus groups 1 and 2, we could change the order in which specific issues were discussed to further avoid any risk of 'missing' areas of interest. For some of the topics (for example, views on communications

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materials), we suggest providing visuals during the focus groups to trigger memories/stimulate discussion. We envisage the topic guides covering the following areas:

Discussion topic	1 and 2: Employers	3: 'Named' employers	4: Workers
Explanation of the research purpose; permission to record; reassurance of anonymity/confidentiality; and that participation is voluntary	X	X	X
Respondent background/characteristics and experiences	X	X	X
Understanding and awareness of NMW levels and legislation	X	X	X
Awareness of current NMW enforcement measures <ul style="list-style-type: none"> • Awareness of/interaction with NMW comms campaign • Views on comms messages 	X X	X X	X
Impacts of NMW enforcement on employers' behaviour/behaviour change <ul style="list-style-type: none"> • Perception of risk of detection (and how this impacts/impacted on behaviour) • Responses to specific enforcement activities • Views on costs of detection (financial/reputational/other) • Longer-term impacts of enforcement on behaviour 	X X X	X X X	
Employer views on current penalty system and proportionality <ul style="list-style-type: none"> • Penalties including naming • Perceptions of fairness • Views on additional/alternative sanctions 	X X X	X X X	
Employer views on the effectiveness of the current NMW enforcement model and potential improvements	X	X	
Impact of NMW campaigns and enforcement on workers (including impact of current/potential employer being named)			X

We will hold internal team meetings to consider emerging findings while fieldwork is still in progress, and may make refinements to the topic guides (with your approval) during fieldwork, where the findings to date indicate that we may be able to learn more by 'tweaking' the questions.

2. Focus group recruitment

The ITT sets out clear criteria for focus group membership. We agree that each focus group should have around 8 participants. In our experience, 6-8 participants is the ideal size for a group: small enough to allow all participants to express their views, and large enough to accommodate a range of viewpoints and experiences. For each focus group, we would need to over-recruit slightly to accommodate any 'no-shows' on the day. We would work closely with our specialist recruitment partners, Criteria, to identify, screen and recruit participants. We are currently working with Criteria on two studies for the Director of Labour Market Enforcement, looking at employment rights violations (including non-payments of NMW) in

specific sectors, and our joint efforts have been highly successful in identifying and recruiting suitable research participants.

Our approach to identifying and screening potential participants is as follows:

Focus Groups 1 & 2 – Employers eligible to pay minimum wage: We will seek to recruit participants with a range of characteristics. In the first instance, we will advertise for participants and invite them to complete a screening questionnaire. This will ensure both that participants employ workers on NMW, and enable us to screen by demographic characteristics (such as firm location, size, turnover, sector, type of ownership). We can then select participants to ensure a balanced group with representatives from a range of sectors. We suggest it may be useful to split the groups by sector or employer size (for example, holding one group with SMEs and the other with larger firms). During the screening process, we can also explore participants' knowledge and awareness of NMW (and of HMRC's awareness-raising material), and select participants who will be able to give informed views. We can set quotas for specific employer types, and these will be monitored and discussed at least daily with Criteria.

Focus Group 3 – Employers who have been 'named': To date over 1,900 employers have been named for non-payment of NMW. The types of employer, number of workers affected (and proportion affected as a percentage of the workforce), as well as amounts owing vary significantly. In some cases, employers have argued that underpayment was inadvertent or as a result of confusing legislation around NMW (particularly around legal deductions/pay averaging). In others, non-compliance appears to be a deliberate act. Several of the named employers have ceased trading, so the actual pool for recruitment is likely to be smaller. We would suggest initially identifying a shortlist of 160 employers to contact (based on a 20:1 lead to participant ratio).

We agree with BEIS that recruitment for this group is likely to be challenging. Our starting point would be to use the published lists of named employers, and identify key contact names and details. We would seek to identify employers of different sizes and from different sectors. We would also seek to identify different 'degrees' of non-compliance. We have extensive experience of persuading employers to take part in research on challenging topics (for example, on attitudes to ethnicity and disability in the workplace; and on facilitating tax evasion). We make sure at all stages of the research (from recruitment onwards) that we are non-judgmental, and that participants can be confident of complete confidentiality. We also allocate a period of time for 'venting' at the start of the interview/focus group – participants often need to express feelings of unfairness or frustration before they feel able to participate in open discussion.

We also need to be mindful that those employers agreeing to participate in further research are unlikely to form an unbiased sample (for example, those whose breaches were minor/inadvertent may be significantly more likely to agree to participate), and this will affect the representativeness of the research findings from this group. Should it prove impossible to recruit participants, we would suggest instead carrying out a small number of individual depth qualitative interviews (by phone).

Focus Group 4 – Workers in the sectors targeted by HMRC: As with groups 1 and 2, we will ask potential participants to complete a screening questionnaire and set quotas to recruit participants with a range of characteristics (including sector, type of contract, employment status (including agency workers), hourly wage, broad socio-economic group, years in employment, gender and age). Recruitment against quotas will be monitored and discussed at least daily with Criteria.

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For all four groups, we will also liaise with our contacts at employer representative/sector organisations (such as BRC) and in unions covering relevant sectors to free-find potential participants, including through 'snowballing' techniques.

We will use a range of methods to encourage participation. Firstly, persuasive recruitment materials will position this project as an opportunity for participants to provide their views. For employers with a negative view of BEIS/enforcement mechanisms, the ability to provide anonymous feedback in a safe way is attractive. Participants would be also given a thank-you payment of £50 for workers and £100 for employers (for employers, offered to charity in the first instance) to thank them for their time. Workers would be offered this incentive in cash or vouchers. For all groups, we would ask potential participants to explain why they wanted to participate in the research. This will enable us to screen out participants who have a very specific issue or grudge to raise which might derail the overall group discussion (as well as providing insight into how common these feelings are).

3. Focus groups and moderation

We will hold four 90-minute focus groups at IFF's purpose-designed viewing suite in central London (Monument/London Bridge). This is easily accessible by public transport. Focus groups would be held in the early evening to maximise attendance. The focus groups will be conducted by experienced researchers, who will have been involved in designing the topic guides and screening and recruiting participants. The named researchers have experience of conducting focus groups with workers and on very sensitive subjects, including homelessness, crime, enabling tax evasion, illegal behaviours, sexuality and gender identity.

Moderators will set out clear ground rules for the focus groups. As well as providing all participants with written information on confidentiality and how we ensure our work is GDPR compliant. Moderators will highlight their impartiality and commitment to confidentiality. (The only exception to this would be in cases where abuse was disclosed or someone was at risk of abuse). We will ask participants for permission to record the focus group sessions and transcribe them. We are happy to provide (anonymised) transcriptions to BEIS. (We feel, however, that participants (particularly for focus group 3) may not be comfortable with BEIS officials being present, and that this could affect their willingness to be open and honest during the discussions. We are happy to discuss this further on commissioning).

The topic guides will underpin the focus group sessions to ensure the discussions stay 'on track' and all the key points are covered. However, the focus group moderators will take a flexible approach, so that the discussions are a fluid, two-way dialogue: within the sessions, our researchers continually weigh up the implications of what participants say, and devise relevant follow-up questions. Each focus group will have two experienced moderators, who are used to balancing inputs from multiple respondents. We use a range of methods to ensure that one or two people do not 'colour' the views of all participants. This includes addressing follow-up questions to named individuals; and rephrasing questions to cover similar topics from alternative perspectives.

4. Analysis

We suggest holding a face-to-face meeting with BEIS to discuss progress and plans for analysis in early February (during the fieldwork period). We use a systematic approach to qualitative analysis which involves:

- Within the session, continually weighing up the implications of what the participants are saying and devising relevant follow-up questions.
- Recording all focus groups, and transcribing them. Researcher will use the recording and transcription for personal analysis, to revisit their initial views on the discussions.

- Developing an analysis framework in Excel, built around the research questions. Findings can then be compared within and across groups, so we can make judgements about the commonality of experiences/views.

We then hold a Director-led analysis session, in which researchers develop their thinking regarding the research findings and their implications. Individual researchers bring to the session their tentative interpretations of the findings. These are discussed, with careful reference to the evidence, to verify our interpretation of the findings through researchers applying a degree of scrutiny and challenge to each other's perspectives on what the findings mean. We welcome your participation in this session.

We note also that BEIS are interested in identifying different typologies/segmentations of employer and worker. While this may be possible to some extent, the design of the research (based on 32 participants) mean that we will also need to be careful to avoid generalising based on relatively small numbers of participants. We suggest that any typologies will need to take account of and build on existing research on workers in low-paid sector/jobs.

5. Reporting and dissemination; project review meeting and presentation

We confirm we will provide the deliverables specified in the brief, i.e.:

- Four completed focus groups
- Detailed topic guides for each group
- A carefully-checked first draft report
- A full final report (with executive summary) on key findings, written to publishable standards, which addresses your comments on the first draft. Several project team members have worked for government organisations and undertook training in writing for and publishing on gov.uk, so are familiar with the style guide and requirements for publishing content.
- A presentation to the BEIS NAW policy team/HMRC (at the final project meeting).
- Anonymised transcripts and recordings (where participants give permission)
- Weekly progress reports.

Our guiding principle in writing reports and presentations is to use the findings to tell a clear story. We believe the research findings should be accessible to a non-expert and presented to make the research topic as interesting as possible. We will deliver quality reporting – encompassing writing style, subtlety of analysis and quality of recommendations – primarily through the experience/mentorship of the team writing/checking the outputs. All reporting outputs will be carefully checked by at least two researchers to ensure respondent anonymity has been preserved, and direct quotes and case studies would be carefully anonymised. The report will include an executive summary, highlighting the key findings; plus conclusions and recommendations for action as required.

We are happy to support with disseminating findings widely through social media, and contributing to media coverage. We also see the project presentation as an important way of disseminating findings and stimulating debate. We envisage it being a visually-appealing PowerPoint presentation of c20-25 slides, including key findings, quotes and visuals. We would provide detailed notes so that the presentation can be used as a stand-alone resource. We can also help to embed the findings within BEIS/HMRC by inviting members of your team to the analysis sessions. We ultimately wish to ensure the reporting outputs give you the insight needed to make evidence-based changes to policy/awareness raising materials.

PROJ1.3 Staff to Deliver

Skills and expertise essential to the successful delivery of this project

IFF undertakes some of the highest profile UK labour market research studies, both from an employer and worker perspective. We have been lead contractor for the UK Employer Skills Survey (ESS) 2017, 2015, 2013, and 2011. We also delivered the 2016, 2014 and 2012 Employer Perspective Surveys, which cover employers' engagement with policy. We have considerable experience of conducting research exploring employment practices, so have in-depth understanding of the policy environment and implementation issues relating to legislation and regulation; and extensive expertise in conducting high quality qualitative research.

We are currently undertaking two research projects for DLME looking at labour market non-compliance in the warehousing and restaurants/food services sectors. These include interviews with 84 workers, including those who have experienced violations of their employment rights, such as non-payment of NMW. The project findings will feed into the 2018 DLME annual strategy. For BEIS/BIS, we have conducted several iterations of the Apprenticeship Pay Survey (2014, 2016 and currently). These large-scale studies include interviews with apprentices about their pay and hours worked to assess the extent to which apprentices were being paid the NMW, and levels of non-compliance. We have also conducted a series of studies for EHRC looking at Equal Pay issues both in terms of pay gaps and particular areas of disadvantage and/or discrimination (e.g. for ethnic minority women and migrant workers). For London Metropolitan University, we interviewed 500 low wage, unorganised workers who had experienced recent problems at work, to explore how they seek to resolve problems encountered in the workplace.

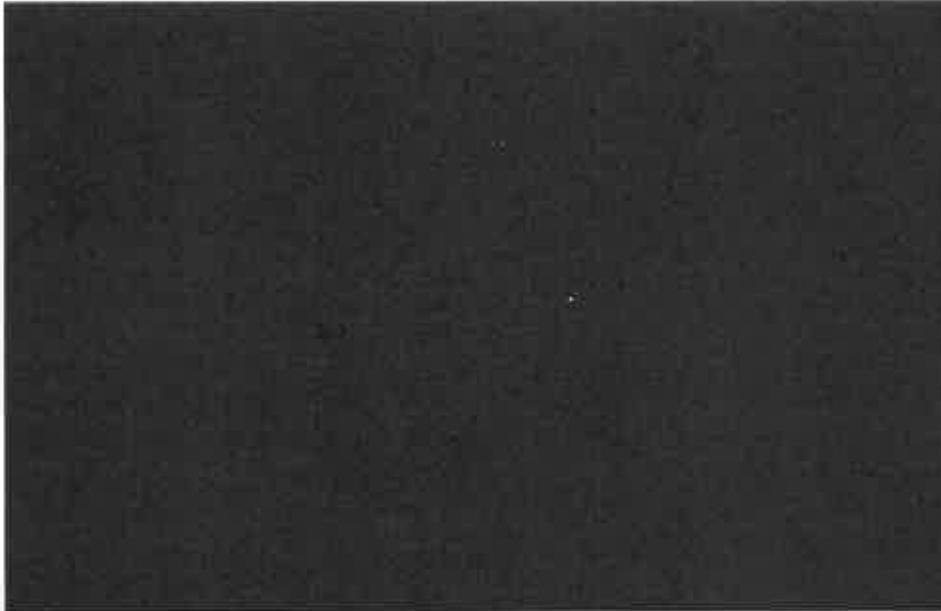
We have a long history of conducting research with hard-to-reach groups and on sensitive topics. These include: people with a history of intravenous drug abuse; victims of crime; security staff (bouncers); enablers of tax avoidance; workers who have been subject to employment rights violations, including non-payment of NMW; and on employer views towards the gender, ethnicity and disability pay gaps. Several of these projects involved persuading employers (and workers) to take part in detailed qualitative research on (potentially) sensitive topics, including illegal or unethical behaviour.

Training, skills and expertise to conduct the focus groups

Our proposed team includes highly experienced qualitative researchers with extensive experience of designing and running focus groups. We do not use external moderators for focus groups, because we believe it is critical for senior staff who are heavily involved in the research project to conduct the groups. IFF staff participate in an ongoing programme of internal training, including interviewing/focus group moderation skills; and have a formal annual review, skills audit and learning and development pathway. The proposed team members all have experience of managing focus groups in similar subject areas.

Our proposed team is as follows:





Briefing procedures and ability to deliver

Projects of this type include two main briefing stages: the first before participant recruitment, to ensure that only appropriate participants are recruited and that they understand the research ask; and the second before the focus groups, to ensure all team members fully understand the purpose of each group and any particular sensitivities. We would develop a detailed recruitment guide for our specialist recruiters, setting out key lines for inclusion/exclusions as well as quotas (e.g. by sector/employer type). All team members would be involved in developing topic guides and we hold weekly team meetings to discuss approaches and inclusion/exclusion of particularly topics for discussion during the focus groups. Prior to the focus groups, the researchers who will act as moderators meet to have a detailed review and discussion of the topics they will cover, issues around confidentiality and disclosure, and the instructions and prompts for the running of the groups. During fieldwork, the researchers will report back on the focus groups and what worked well and less well; topic guides/approaches can then be tweaked in the light of emerging findings or any issues arising.

We are confident that we have put together a team of sufficient size and experience to undertake high quality work for BEIS. Our approach to team and project management is covered in Section 1.4. We would liaise closely with BEIS throughout the project, as well as with our specialist qualitative recruiters Criteria, whom we have worked with on many occasions. Using such a specialist recruitment resource allows us to specify and achieve recruitment targets for very niche audiences in a relatively tight timeframe. We do not anticipate requiring significant additional support to complete the project, but would welcome discussion with BEIS throughout the project to ensure that we reflect your requirements and that any potential issues and risks are identified and addressed early.

PROJ1.4 Project Plan and Timescales

The proposed project timeline for our approach given below takes account of the key milestones noted in the ITT. We are confident we can deliver within the overall timescale. Whilst achievable, we however do note the timetable for reporting and delivery of a presentation will be tight (with fieldwork ending in late February, and final reporting by end March 2018). It will be important to have (and the success of the project running to timetable will also rely on having) rapid response and feedback times from BEIS - e.g. when commenting on fieldwork materials and feeding back on the draft report. Our proposed timetable allows a 3-week window for completing the focus groups. In reality, however, we would aim to get the fieldwork completed within the first 2 weeks of February to give more time for analysis and reporting. However, the timetable does allow for a small amount of fieldwork slippage into the w/c 18th Feb if required.

Milestone	No. possible	January				February				March			
		7	14	21	28	4	11	18	25	4	11	18	25
Inception meeting	1												
Mainstage Qualitative Fieldwork													
Sample design	FF												
Design of recruitment screeners	FF												
Design of topic guide	FF												
Recruitment	FF												
Focus groups x 4	FF												
Qualitative analysis	FF												
Transcription	FF												
Reporting													
Report outline developed and agreed	FF												
Report drafted	FF												
Draft report on key findings submitted	FF												
Report feedback	FF												
Develop slide pack	FF												
Presentation of key findings to BEIS	FF												
Final report on key findings drafted	FF												
Final report on key findings submitted	FF												
Project management													
Face to Face meetings with BEIS officials	FF/BEE												
Weekly email updates	FF												

Key timings are as follows:

Project element	Timing
Project inception (including face-to-face inception meeting)	w/c 9 th Jan
Development and sign-off of screeners and topic guides (tailored to each audience/focus group types)	w/c 14 th Jan - w/c 28 th Jan
Recruitment	w/c 21 st Jan - w/c 4 th Feb
Delivery of four focus groups (c. eight participants in each)	w/c 4 th Feb - w/c 18 th Feb
Progress meeting (to discuss progress and plans for analysis)	w/c 11 th Feb
Analysis and reporting (with draft final report submitted end of w/c 11 th Mar)	w/c 18 th Feb - w/c 11 th Mar
Project review meeting and presentation to colleagues in the BEIS	By end of w/c 18 th Mar

NMW policy team and counterparts in HMRC	
Additional analysis as required and delivery of final report on key findings (with executive summary, written to publishable standards)	By 31 st Mar 2019
Anonymised transcripts and recordings of focus groups (where participants give permission)	By 31 st Mar 2019
Weekly progress reporting - including updates progress, risks and issues	Ongoing

IFF prides itself on its ability to deliver high quality research to time and budget. We ensure on-time delivery by:

- Devising detailed project plans at inception. These are used to plan internal logistics and guide weekly internal project team catch-ups to plan next steps;
- Directors reviewing project resource weekly, and fieldwork/recruitment achievement rates daily, and increasing resource allocation as required;
- Progressing analysis and working with emerging findings during fieldwork to ensure 'right-first-time' outputs;
- Sharing emerging findings with you iteratively to ensure findings answer your research questions.

We always look to have a face-to-face inception meeting for a project to obtain a full briefing on the study background. We also see it as an opportunity to reinforce the collaborative working relationship that is our preferred approach to working with you. We will encourage as many as possible of your study's internal stakeholders (from BEIS and HMRC as appropriate) to attend this meeting, as it will inform our approach to the design of the focus group screeners and topic guides, the sample structures for each group, and development of our reporting outputs.

Project and team management

Project management is particularly important for the current study, not least because of the tight timetable. We are confident that we have put together a team of sufficient size and experience to undertake high quality work for BEIS. We are well used to working on multiple projects with complex design and tight timescales, and our project management procedures are designed to flag any issues at an early stage. All the assigned project team have capacity to undertake this project. IFF Directors meet weekly to allocate project team members' time, and with 60 researchers we can meet demands for additional resources at short notice and accommodate unforeseen changes to proposed timetable confidently.

At IFF [redacted] will be the main day-to-day contact once the study is up and running. [redacted] is a highly experienced qualitative researcher with expertise in delivering focus groups on sensitive topics. She will closely supervise [redacted] work, and the project Directors will give overall guidance at weekly internal meetings for each project, informed by written project plans. All research instruments and draft outputs will be reviewed sequentially by [redacted] and Directors before they are used/issued to BEIS. Feedback is given to IFF staff at each stage to support their professional development.

All members of the team will be able to answer queries about the state of play of the project, and we will provide BEIS with a single email address that includes all members of the research team. At IFF we will have weekly internal catch ups to discuss progress. We will provide BEIS with weekly progress information (by email) and we suggest that regular, scheduled fortnightly telebks would be beneficial to talk through any key or emerging issues.

PROJ1.5 Risk Management

The key to managing risk is to identify areas of potential risk at the outset, monitor these, keep vigilant for others, and put plans in place to address them. When bidding for a project we typically assess and summarise the likely project-relevant risks – in a ‘risk register’, encompassing the nature of the risk, what it is caused by, its likely consequences, its degree of likelihood, its level of impact, mitigation steps and residual impact if these steps are taken. This risk register is then refined after the project inception.

We always look to have a face-to-face inception meeting for a project to obtain a full briefing on the study background. We will encourage as many as possible of your study’s internal stakeholders to attend this meeting, as it will inform our approach to designing topic guides, sample structures and the development of our reporting outputs. We are well used to working on multiple projects with complex design and tight timescales, and our project management procedures are designed to flag any issues at an early stage.

Our risk management and mitigation processes include internal team meetings to identify and flag any potential issues at the earliest possible stage. A summary of any forthcoming/arising project risks will form part of our regular weekly updates and we will, of course, alert BEIS to any issues and proposed solutions as soon as possible. This will be done informally by telephone, supported by a written summary of the issue and mitigation proposed. There is no budgetary risk to BEIS associated with this project – we commit to delivering for a fixed price (unless there are changes to the specification).

Risk	Likelihood	Potential Impact	Mitigation
Delays identifying relevant contacts within employers for focus groups	Med	Low	As soon as contracts are signed we will start searches to begin to find the most appropriate employers and contacts. We will also capitalize on any existing networks/lists held by both BEIS and IFF, and will work closely with specialist recruiters to identify potential focus group participants.
Changes in personnel lead to project delays	Low	Low	This is a relatively short project and we have very low staff turnover at IFF. However, should a member of staff be unavailable unavoidably, we have two Directors in the team ensuring continuity. Close working between IFF and BEIS teams will minimise the impact of any absences.
Timetable slips	Low	Med	IFF prides itself on its ability to deliver high quality research to time and budget. We ensure on-time delivery by: <ul style="list-style-type: none"> • Devising detailed project plans at inception. These are used to plan internal logistics and guide weekly internal project team catch-ups to plan next steps; • Directors reviewing project resource weekly, and increasing resource allocation as required.

OFFICIAL-SENSITIVE (COMMERCIAL)

			<ul style="list-style-type: none"> Sharing emerging findings with you iteratively to ensure findings answer your research questions. <p>We have also built in potential slippage time to the timetable for the study (for example, allowing an extra week for focus group delivery).</p>
Workers/employers unwilling to take part in focus groups	Med	High	<p>We will be working with an experienced recruitment partner who is well used to securing interviews with difficult to reach groups. We will complement this approach using snowballing techniques, use our networks to identify potential participants, and offer an incentive to encourage participation.</p> <p>We will emphasise that participation offers the opportunity to have their say; 'sell' the wider benefits of the study's aims; and guarantee confidentiality of response. Our team are experienced in reassuring/persuading employers and workers to take part in research on sensitive topics.</p> <p>Should it prove impossible to recruit 'named' employers to attend focus group 3, we suggest conducting individual depth qualitative interviews with a small number of employers in lieu.</p>
Participants drop-out of focus groups	Med	High	<p>We will aim to over-book participants knowing some will drop out. Focus groups will be conducted at different times of day and participants given plenty of notice of dates and times. Participants will be provided with an incentive to thank them for their time.</p>
Participants unwilling to be honest/candid	Med	High	<p>We will advise participants what focus groups cover, so those who agree to take part have already bought into the topic; give reassurances at recruitment and within group of anonymity; back up verbal reassurances with reassurance letters/emails; ensure topic guide uses non-judgmental language and carefully brief moderators to do the same; if participants still appear to feel uncomfortable on the topic within the focus groups, we can use indirect questioning strategies e.g. asking about 'people or businesses in similar situations'.</p>
Poor quality moderating	Low	High	<p>Strong QC of focus groups, each attended/moderated by two members of the project research team. Focus groups will be reviewed by a director and feedback given before any further discussions take place.</p>